CLEVELAND PUBLIC LIBRARY
BUSINESS DEPT.
CORPORATION FILE

# ANNUAL

# REPORT

## GENERAL SHOE CORPORATION

## 1956

*Annual Report*

*for the*

*32nd*

*Year of*

# GENERAL SHOE CORPORATION

*Nashville,*

*Tennessee,*

*U.S.A.*

*As a Corporation*
*our accounting is to*
*our customers, our share-owners,*
*our employees, our suppliers*
*and to many others.*

*But greatest of all*
*is the accounting we owe*
*to Him from whom we have gratefully*
*received every good thing*
*during this, another year, 1956.*

# 1956 Told in Brief...

| | YEAR ENDED OCTOBER 31 1956 | 1955 |
|---|---|---|
| Total Volume of Business | $230,647,014 | $201,300,993 |
| Net Sales Less Inter-Branch Business | 195,159,136 | 167,863,881 |
| Operating Income | 11,178,023 | 10,038,135 |
| Taxes | 5,138,000 | 4,776,000 |
| Net Earnings | 5,912,698 | 5,262,135 |
| Earnings Per Share | 2.32 | 2.31 |
| Percent of Net Earnings to Net Sales | 3.03 | 3.13 |
| Dividends Per Share of Common Stock | 1.43¾ | 1.25 |
| Net Worth | 62,007,554 | 43,097,524 |

MAXEY JARMAN
*Chairman of General Shoe Corporation*

HENRY W. BOYD, JR.
*President*

# General Shoe ANNUAL REPORT

For our business year ended October 31, 1956, our net sales to customers were $195,159,136. This represented the largest year in the history of our Company and is an increase of approximately 16% over last year.

Operating income of the Company before taxes amounted to $11,178,023, also the largest the Company has ever had. After taxes, net earnings were $5,912,698, representing an increase of 12% over last year. Earnings per share on common stock were $2.32 on 2,416,213 shares, the average number outstanding during the year. This compares with $2.31 per share in 1955 on 2,148,658 shares, average outstanding during that year, which figure reflects the two for one split effective March 9, 1956.

The above figures include operations of the Bonwit Teller stores for three months. Sales of Bonwit Teller during this three-month period were $8,793,280 and earnings before taxes were $826,369.

In July of this year we acquired approximately 70% of the outstanding stock of the Hoving Corporation for a cash expenditure of $10,777,000. The Hoving Corporation includes the Bonwit Teller stores of New York City, White Plains, Boston, Cleveland, Chicago and Palm Beach, and in addition has a 51% interest in Tiffany & Co., world famous jewelers. The operations of Tiffany & Co., are carried as an investment, and neither their sales nor earnings are included in the figures above. Total net worth of the Hoving Corporation as of October 31, 1956 is $14,968,606.

During the year we paid out our 97th consecutive quarterly dividend on common stock. In March of this year we split our common stock two shares for one and raised the adjusted dividend rate. The old rate was $2.50 per year, the same it has been for nine years, and after the two for one split would have been $1.25. We raised the rate to $1.50 on the new stock. Dividends on the common stock have averaged approximately 60% of the earnings during the past five years. Dividends on the preferred issues have been paid in accordance with the terms of the issues.

## FINANCING

In January of this year we offered new common stock to the public through a group of investment bankers. This additional stock was equivalent to 320,000 shares on the new basis, for which we received $9,280,000. In October of this year we placed privately an issue of $8,000,000 of 5% preferred stock. It has been our feeling that it is sound practice to anticipate our capital requirements so as to be prepared for growth in our business before it occurs. Total stockholders equity as of October 31 is $62,007,554. Working capital amounted to $66,863,972.

## HOVING CORPORATION

Our plans had long contemplated establishing at an opportune time a position in the women's specialty store field just as we had in the men's specialty store field through our Whitehouse & Hardy stores. When the opportunity came to acquire a large interest in the Hoving Corporation, it seemed to suit our situation perfectly.

The Hoving Corporation is a well-managed, profitable business with an increasing volume and a high prestige position among fashion stores throughout the world. Walter Hoving, president of the Hoving Corporation, is recognized as one of the ablest men in the field. It is our feeling that the development and distribution of fashion footwear is closely tied in with fashion apparel and with prestige specialty stores. Not only is the Hoving Corporation an excellent investment from a management and financial standpoint, but we believe it will in time greatly strengthen our fashion position.

Our Company, through its various lines, is recognized throughout the world as the leading producer of fashion footwear. It is our feeling that as fashion has developed in significance in recent years

it will become even more important in the years ahead. The considerable steady increase in the per capita income of the people in this country provides the basis for further development along fashion lines. The Bonwit Teller stores are an important development in this general direction.

The Hoving Corporation in 1955 acquired a controlling interest in Tiffany & Co., whose New York store is located directly adjacent to the Bonwit Teller New York store. Tiffany & Co., whose history goes back 130 years, is a name that has become a by-word for the supreme in quality. Walter Hoving is actively directing the further development of the Tiffany business.

## CONSENT DECREE

The anti-trust suit against our Company by the Federal Government under the Clayton Act, Section 7, was settled in April of this year with a consent decree. Under this decree, no change was required in our present setup. There are certain types of concerns in the shoe industry which would require prior approval from either a Federal Court or the Department of Justice before making acquisitions during the next five years. Other types are not restricted. We do not have any present plans for further acquisitions.

The consent decree also specifies that patents are to be made available on a reasonable basis to other concerns, and we shall continue to purchase certain quantities of footwear from other manufacturers. There are other miscellaneous provisions. We do not feel that the terms of the settlement are burdensome and believe it was desirable to make this arrangement so that we could devote our thought and attention to the development of the business.

The shoe industry is quite competitive and there is very little concentration. The four largest manufacturers combined produce less than 25% of the total. However, the government is continuing its policy of restricting mergers in the shoe industry by bringing suit against another company in our industry.

## NEW DEVELOPMENTS

We have occupied two new plants during the past year—one at Iuka, Mississippi, making low-priced women's shoes, and one at Frankfort, Kentucky, replacing an old plant making medium-priced women's shoes. Plans are under way for another low-priced women's shoe plant at Fulton, Mississippi.

We are currently having built a large warehouse and distributing point at Chapel Hill, Tennessee.

We have just announced the establishment of a new division under the name Christian Dior Shoes, Inc. By arrangement with Christian Dior of Paris, and with designs under the personal guidance of M. Dior, we expect to offer during the Spring of 1957 a line of women's fashion shoes in the price range of $20 to $25 and up. They will carry the brand name of Christian Dior. We are setting up a manufacturing plant in Philadelphia for the production of these shoes. We feel that this line has

## $230,647,014 of Business... How Expended

| | | |
|---|---|---|
| **Total volume of business** | $230,647,014 | |
| Less value of products made in one division for use in another division | 35,487,878 | |
| Value of products sold to customers | $195,159,136 | 100.0 |
| **This amount was used as follows:** | | |
| Cost of leather, other materials, products and services from outside suppliers | 113,361,508 | 58.1 |
| Wages of employees | 61,414,741 | 31.5 |
| Discounts and allowances to customers | 1,950,718 | 1.0 |
| Wear allowance on machinery, equipment and buildings | 2,984,454 | 1.5 |
| Taxes paid | 8,269,128 | 4.2 |
| Interest paid on borrowed money | 1,138,564 | .6 |
| Share of earnings belonging to other stockholders in Hoving Corporation | 127,325 | .1 |
| Expense of capital used—dividends | 3,757,239 | 1.9 |
| Additional equipment purchased out of earnings | 671,628 | .3 |
| Balance to pay off debt and for growth | 1,483,831 | .8 |
| | $195,159,136 | 100.0 |

possibilities of very considerable importance. It will first be offered in the shoe department of the Bonwit Teller store in New York.

Another interesting new development has to do with our research work and production of various chemicals that are used in shoe manufacturing. Adhesives are an important part of these developments, some of which have considerable application for other industrial uses beyond the shoe industry. For this specialized field a separate division has been established under the name, General Adhesives, for the distribution of these materials to other industrial users. This development has interesting possibilities for both volume and profit.

An important development during the past year has been the enlargement and extension of our Whitehouse & Hardy and Frank Bros., men's stores, covering a variety of men's wear and furnishings, as well as shoes. Whitehouse & Hardy stores in New York, Detroit and Miami Beach, and Frank Bros., in New York, Chicago and Palm Beach are handsome establishments that are showing considerable progress.

Our licensing arrangements in foreign countries have been expanded considerably during the past year, with a greater number of companies using our brand names on a royalty basis, purchasing styling and engineering service from us, and extending the distribution of our products in various ways.

## GENERAL COMMENTS

We have continued to experience heavy development expense in some of our newer operating divisions and in certain of the companies that we have acquired during the past few years. We feel, however, that good progress is being made, and that the ground work is being laid for important developments from a profit standpoint. Our executive organization has been strengthened during the year, and we have done some good work in the training of people in various areas.

The development of management people continues to receive a great deal of attention. We have enlarged our training group to help satisfy the need for executive talent as it develops.

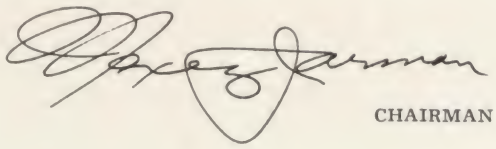
We have made every effort to keep our employment conditions and wage rates of our employees on a good basis in relation to the areas in which we operate, and in relation to like work in our industry. Our feeling is that it is important for us to have the best people possible in our plants, and we want to see that they have good working conditions and the opportunity to earn good money. We have been in the forefront in the development of employee benefits in our industry, with programs on retirement income, vacations, holidays, insurance and, in certain areas, guaranteed employment plans. Our own employee ranks have been an important source for the selection of people for development in managerial positions.

We have three different stock purchase programs for our employees which make it possible for them to save and invest in common stock in the Company on a convenient and easy basis.

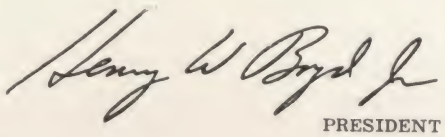
Shoe production for the industry as a whole in 1956 will approximate the production of 1955, the peak year. However, our Company has increased its production during the year so that we have grown in relation to the industry as a whole. Shoe prices during this year have averaged about 4% higher than the previous year, which is about in line with our own operations. Shoe prices are on a fairly stable basis at the present time. Expectations are that the industry during 1957 will show a slight increase in unit volume, and a somewhat better increase in dollar volume as the percentage of better grade shoes expands. Per capita consumption of shoes is increasing slightly, and with an increasing population the industry seems to be on a sound basis for steady growth.

We feel that with our own strong organization set-up, with representation in all important areas of the industry, and the diversification program that our Company has established, we are in a position to grow on a sound basis at a more rapid rate than the industry as a whole.

We are benefiting from economies in our shoe machinery development program, from the greater acceptance of our well-known and important brand names, from our research developments, and from the greater acceptance of our retail operations. These favorable factors should continue into the future the steady rate of growth which has characterized General Shoe Corporation since its founding in 1924.



CHAIRMAN



PRESIDENT

November 26, 1956

GENERAL SHOE CORPORATION

*and consolidated subsidiaries*

## CONSOLIDATED BALANCE SHEET *as of October 31, 1956*

*with comparative figures for the previous year.*

| ASSETS | 1956 | 1955 |
|---|---|---|
| Current assets: | | |
| Cash | $ 9,907,562 | $ 8,786,457 |
| Receivables, less allowance for doubtful accounts and discounts | 25,427,381 | 17,060,468 |
| Inventories at lower of approximate average cost or market: | | |
| Finished shoes and other merchandise | 36,198,188 | 26,180,476 |
| Raw materials and work in process | 7,932,692 | 8,112,532 |
| Total current assets | 79,465,823 | 60,139,933 |
| Officers' and employees' stock purchase accounts, secured | 1,502,497 | 1,795,349 |
| Investments in and advances to subsidiaries not consolidated, less reserves | 6,569,321 | 449,059 |
| Other investments, at cost | 538,435 | 89,691 |
| Plant, equipment, and leasehold improvements, at cost less accumulated depreciation and amortization $9,617,180 | 13,049,167 | 8,607,833 |
| Investments in consolidated subsidiaries in excess of tangible equity | 1,856,675 | ——— |
| Patents and trade marks | 1 | 1 |
| Debt discount and expense, less amortization | 295,476 | 306,588 |
| | $103,277,395 | $ 71,388,454 |

| LIABILITIES | | |
|---|---|---|
| Current liabilities: | | |
| Accounts payable and accrued expenses, including for 1956 current fixed installments on long-term debt $400,000 | $ 7,249,851 | $ 3,415,930 |
| Federal and state taxes on income, estimated | 5,352,000 | 4,875,000 |
| Total current liabilities | 12,601,851 | 8,290,930 |
| Long-term debt: | | |
| 3.30% debentures due 1980; $375,000 due annually from 1960 | 10,000,000 | 10,000,000 |
| 3.25% notes payable due 1980; $556,000 due annually from 1962 | 10,000,000 | 10,000,000 |
| 4.50% note payable due 1962; $200,000 due annually from 1957 | 1,900,000 | ——— |
| 3.75% note of Hoving Corporation due 1961; fixed annual payments (maximum $400,000) plus amounts contingent upon earnings | 2,400,000 | ——— |
| Total long-term debt | 24,300,000 | 20,000,000 |
| Minority interests | 4,367,990 | ——— |
| Stockholders' equity, restricted except as to $26,958,433: | | |
| Cumulative preference stock of $100 stated value per share. | | |
| Authorized 172,000 shares; outstanding: | | |
| Series A, $3.50 dividend, 36,620 shares | 3,662,000 | 3,859,500 |
| Series B, $5.00 dividend, 16,521 shares | 1,652,100 | 1,652,100 |
| Series C, $4.50 dividend, 16,093 shares | 1,609,300 | 1,684,700 |
| Series D, $5.00 dividend, 80,000 shares | 8,000,000 | ——— |
| Common stock of $1 par value per share. Authorized 5,000,000 shares; outstanding 2,469,954 shares | 2,469,954 | 1,074,329 |
| Additional paid-in capital | 18,186,598 | 10,554,752 |
| Earnings retained in business | 26,427,602 | 24,272,143 |
| Total stockholders' equity | 62,007,554 | 43,097,524 |
| | $103,277,395 | $ 71,388.454 |

GENERAL SHOE CORPORATION

*and consolidated subsidiaries*

## STATEMENT OF CONSOLIDATED EARNINGS *for the year ended October 31, 1956*

*with comparative figures for the previous year.*

| (Including operations since date of acquisition of subsidiaries acquired during year.) | 1956 | 1955 |
|---|---|---|
| Net sales, including sales of leased departments | $195,159,136 | $167,863,881 |
| Cost of sales, selling, administrative, and general expenses (depreciation, amortization, lasts, dies, and patterns $2,984,454) | 183,051,674 | 156,950,753 |
| Contribution to employees' retirement fund | 300,000 | 250,000 |
| Interest on long-term debt | 685,953 | 567,617 |
| Other charges (income), net | (56,514) | 57,376 |
| Federal and state taxes on income, estimated | 5,138,000 | 4,776,000 |
| | 189,119,113 | 162,601,746 |
| Net earnings before minority interests | 6,040,023 | 5,262,135 |
| Less earnings applicable to minority interests | 127,325 | ——— |
| Net earnings for year | $ 5,912,698 | $ 5,262,135 |

### Statement of Consolidated Earnings Retained in Business

| | | |
|---|---|---|
| Balance at beginning of year | $ 24,272,143 | $ 21,995,119 |
| Net earnings for year | 5,912,698 | 5,262,135 |
| | 30,184,841 | 27,257,254 |
| Dividends: | | |
| Preference stock | 307,071 | 299,351 |
| Common stock | 3,450,168 | 2,685,760 |
| | 3,757,239 | 2,985,111 |
| Balance at end of year | $ 26,427,602 | $ 24,272,143 |

### Statement of Consolidated Additional Paid-In Capital

| | | |
|---|---|---|
| Balance at beginning of year | $ 10,554,752 | $ 10,532,770 |
| Net amount realized in excess of par or stated values of common and preference shares issued and reacquired during year | 8,866,823 | 21,982 |
| | 19,421,575 | 10,554,752 |
| Less par value of common shares issued in two for one split | 1,234,977 | ——— |
| Balance at end of year | $ 18,186,598 | $ 10,554,752 |

## ACCOUNTANTS' REPORT

THE BOARD OF DIRECTORS

GENERAL SHOE CORPORATION

We have examined the consolidated balance sheet of General Shoe Corporation and its consolidated subsidiaries as of October 31, 1956 and the related statements of earnings, earnings retained in business, and additional paid-in capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated earnings, earnings retained in business, and additional paid-in capital present fairly the financial position of General Shoe Corporation and its consolidated subsidiaries at October 31, 1956 and the results of their operations for the year then ended, including operations since date of acquisition of subsidiaries acquired during the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

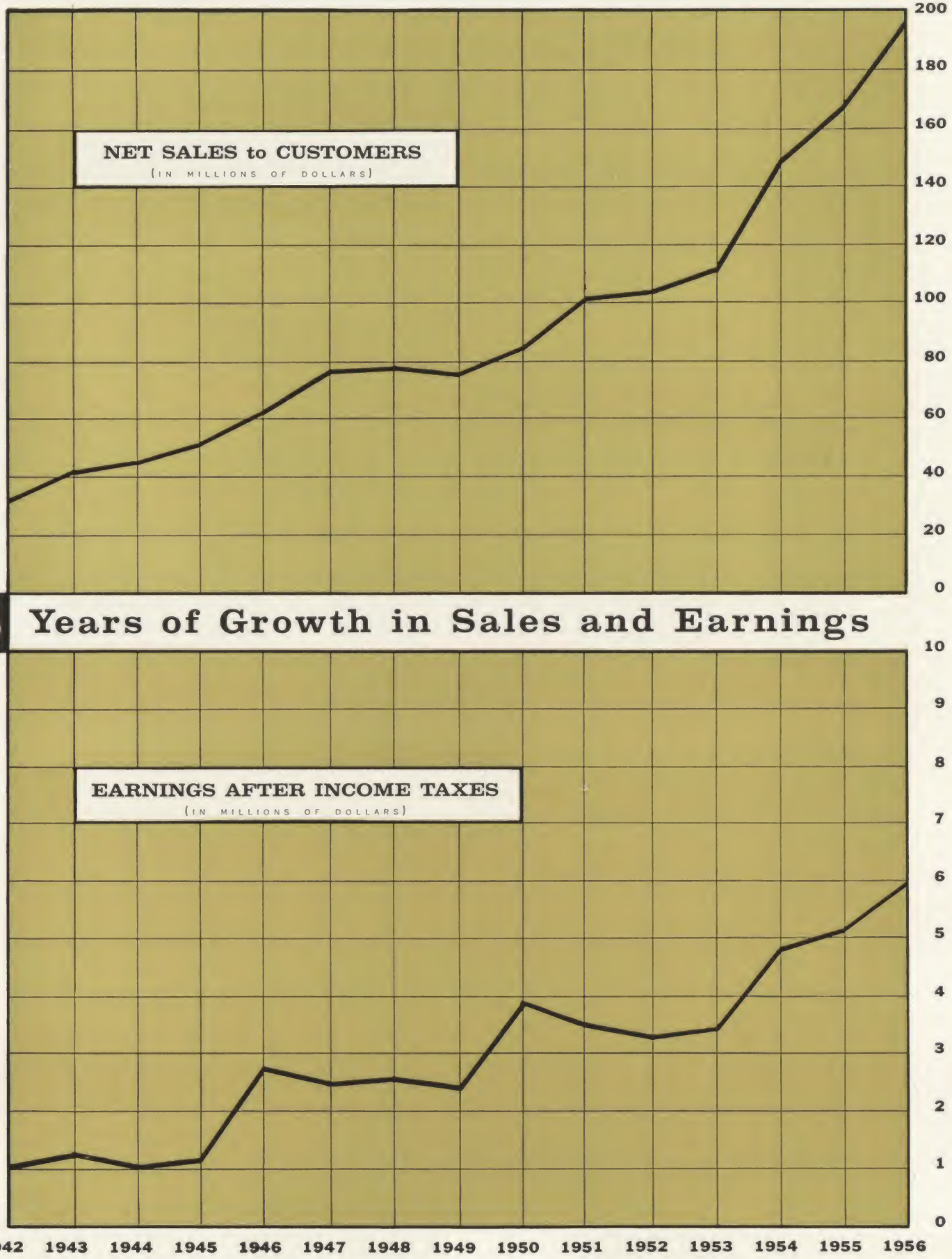
Nashville, Tennessee
November 23, 1956

## 15 YEAR COMMON STOCK RECORD

| | Earnings Per Share for Year | Year's Dividend | Book Value Per Share | Paid to Stockholders | Year's Price Range | Number Stockholders |
|---|---|---|---|---|---|---|
| **1942** | $0.79 | $0.50 | $ 6.03 | $ 627,054 | $ 5-4⅛ | 2,857 |
| **1943** | 0.95 | 0.50 | 6.48 | 627,393 | 7⅝-5 | 3,207 |
| **1944** | 0.77 | 0.50 | 6.73 | 627,391 | 9⅞-7⅜ | 3,254 |
| **1945** | 0.86 | 0.50 | 7.08 | 627,391 | 15½-9½ | 3,364 |
| **1946** | 1.88 | 0.80 | 9.37 | 1,088,496 | 23½-14½ | 3,696 |
| **1947** | 1.67 | 1.25 | 9.81 | 1,762,059 | 18½-13 | 3,982 |
| **1948** | 1.73 | 1.25 | 10.31 | 1,762,611 | 15¾-12½ | 4,201 |
| **1949** | 1.57 | 1.25 | 10.64 | 1,763,393 | 15⅛-12 | 4,380 |
| **1950** | 2.52 | 1.25 | 12.40 | 1,777,801 | 19⅞-15⅛ | 5,693 |
| **1951** | 2.25 | 1.25 | 13.56 | 1,863,517 | 19⅝-17 | 5,837 |
| **1952** | 2.06 | 1.25 | 14.56 | 1,913,572 | 20-18¼ | 5,798 |
| **1953** | 2.15 | 1.25 | 15.30 | 1,954,610 | 25½-20⅜ | 5,561 |
| **1954** | 2.11 | 1.25 | 15.64 | 2,575,998 | 25¾-20½ | 5,774 |
| **1955** | 2.31 | 1.25 | 16.71 | 2,685,760 | 31⅞-24⅞ | 5,760 |

*Figures prior to 1956 adjusted to reflect two for one split of common shares effective March 9, 1956.*

| | | | | | | |
|---|---|---|---|---|---|---|
| **1956** | 2.32 | 1.43¾ | 19.06 | 3,450,168 | 33¼-24½ | 8,192 |




# 15 Years of Growth in Sales and Earnings

# 15 YEAR COMPARISON of OPERATIONS

| | Total Volume of Business | Net Sales Less Inter-Branch Business | Income Taxes | Net Earnings | Per Cent of Net Earnings to Net Sales |
|---|---|---|---|---|---|
| 1942 | $ 39,949,226 | $ 33,738,749 | $2,148,400 | $1,023,373 | 3.03 |
| 1943 | 48,990,794 | 40,886,381 | 2,936,700 | 1,229,136 | 3.01 |
| 1944 | 53,474,786 | 44,716,808 | 3,002,650 | 1,007,411 | 2.25 |
| 1945 | 61,122,583 | 51,177,677 | 3,174,200 | 1,110,749 | 2.17 |
| 1946 | 75,367,861 | 61,133,798 | 2,207,123 | 2,755,372 | 4.51 |
| 1947 | 97,248,511 | 78,142,458 | 1,937,792 | 2,566,500 | 3.28 |
| 1948 | 99,580,268 | 78,682,562 | 1,544,689 | 2,639,762 | 3.35 |
| 1949 | 96,066,589 | 77,694,162 | 1,521,000 | 2,416,379 | 3.11 |
| 1950 | 105,314,604 | 84,441,016 | 2,377,000 | 3,896,715 | 4.61 |
| 1951 | 128,284,627 | 103,238,890 | 2,954,000 | 3,570,939 | 3.46 |
| 1952 | 129,184,661 | 104,285,545 | 3,257,000 | 3,340,503 | 3.20 |
| 1953 | 137,337,975 | 111,179,210 | 4,485,000 | 3,565,829 | 3.21 |
| 1954 | 177,460,810 | 150,074,016 | 4,332,000 | 4,780,052 | 3.19 |
| 1955 | 201,300,993 | 167,863,881 | 4,776,000 | 5,262,135 | 3.13 |
| 1956 | 230,647,014 | 195,159,136 | 5,138,000 | 5,912,698 | 3.03 |

| | Outstanding Shares Common Stock* | Depreciation and Amortization | Earnings Reinvested in Business Development | Current Assets | Current Liabilities | Net Worth |
|---|---|---|---|---|---|---|
| 1942 | 1,254,346 | $ 561,695 | $ 356,614 | $10,281,900 | $ 876,851 | $ 8,054,660 |
| 1943 | 1,254,782 | 308,735 | 562,039 | 10,654,807 | 973,238 | 8,618,858 |
| 1944 | 1,254,782 | 348,333 | 340,315 | 10,570,155 | 1,073,386 | 8,939,322 |
| 1945 | 1,254,782 | 401,921 | 443,654 | 14,363,699 | 1,485,880 | 9,382,976 |
| 1946 | 1,408,642 | 547,675 | 1,560,922 | 17,723,628 | 1,309,947 | 18,692,768 |
| 1947 | 1,409,836 | 883,900 | 593,235 | 18,146,404 | 2,143,718 | 19,225,654 |
| 1948 | 1,410,264 | 1,146,767 | 669,562 | 24,580,470 | 1,847,178 | 19,749,974 |
| 1949 | 1,410,818 | 1,016,788 | 448,858 | 25,413,805 | 2,694,871 | 20,155,651 |
| 1950 | 1,467,580 | 1,253,112 | 1,918,216 | 29,501,823 | 4,268,950 | 23,233,487 |
| 1951 | 1,498,526 | 1,470,105 | 1,510,929 | 34,433,741 | 5,324,291 | 25,243,208 |
| 1952 | 1,533,060 | 1,630,415 | 1,234,308 | 34,909,457 | 5,607,942 | 27,140,887 |
| 1953 | 1,629,932 | 1,703,984 | 1,410,941 | 37,708,599 | 6,812,959 | 29,125,853 |
| 1954 | 2,148,464 | 2,715,266 | 1,920,345 | 51,310,281 | 8,009,772 | 41,049,121 |
| 1955 | 2,148,658 | 2,764,615 | 2,277,024 | 60,139,933 | 8,290,930 | 43,097,524 |
| 1956 | 2,469,954 | 2,984,454 | 2,155,459 | 79,465,823 | 12,601,851 | 62,007,554 |

*Reflects two for one split effective March 9, 1956.

GENERAL SHOE CORPORATION

# Fashion
## IN FOOTWEAR

*is the life-blood of our business. In Paris, in New York, the recognized shoe fashion centers of the world, or in cities all over the United States, General Shoe brands are recognized as the fashion leaders of the industry. Here we present a pictorial fashion show of many widely-known shoes by General Shoe.*

ANDRE PERUGIA, who sets the world's fashions in footwear, in his Paris studio, with I. Miller's fashion director, Grace Hill.

M. PERUGIA at work, creating lasts worn round the world by customers of General Shoe.

PARIS in black and white. Perugia I. Miller shoes for the famous Givenchy collection.

CHANGEABLE HEELS, one of the many Perugia fashion ideas for our I. Miller Shoe Company.

PARIS-DESIGNED gold cloth gown shown at Chrysler's Imperial Fashion Show, with I. Miller shoes. ——→

I. MILLER'S new "Castle-tie" shoe, with checkerboard silk shirtwaist—at showing for Spring 1957 styles. (Right, center)

AMERICA'S MAID OF COTTON likewise in I. Miller shoes during her round-the-world appearances. (Extreme right)

MISS GRACE KELLY admiring wedding shoes made for her by David Evins, famous New York creator, before her marriage to the prince of Monaco. Her Serene Highness' beautiful shoes are shown at the right.

DELMAN ON FIFTH AVENUE, world's smartest shoe salon, in dorf-Goodman's, New York.

MADEMOISELLE'S Fashion Coordinator Carolyn Saks searching for new ideas in one of Rome's most important footwear shops, Dalco's. She talks fashion with Signor Dalco and helper.

INGENUE instep strap pump —Italian pear with gold underlay.

MILLERKINS, shown by "Chris" Millican, assistant fashion director of I. Miller.

VALENTINES—not just the February 14th kind—worn by Nashville General Shoe employee Norma Kosko.

WHITEHOUSE & HARDY shoes for smartly-dressed Bill Wells, our Fortunet production manager.

FROM OUR WHITEHOUSE & HARDY stores—complete costume for resort and vacation wear, modelled by salesman Vincent Dwyer.

All U.S. Presidents for 100 years have worn Johnston & Murphy shoes. Model is J & M's Ed Bolding.

JARMAN shoes, with General Shoe special trainee William M. Blackie, Jr. Our Company was founded upon this brand name.

FLAGG BROS. sh
college and high
country over. A V
co-ed friend are f

Berg-

W. M. BLACKIE, Executive Vice President of General Shoe Corporation, (third from left) and others view style show in Delman salon.

LIFE magazine devotes its front cover to Rosalind Russell in "Auntie Mame," shown kicking up her heels in a pair of our DELMAN pumps.

DELMAN SHOES daily attract to the Bergdorf-Goodman salon many of the world's famous women who want the superb fashion for which these colorful shoes have become known.

HOLIDAY shoes, modeled by Margaret O'Connor, assistant buyer of hosiery and handbags for our Holiday stores.

CANVAS AND RUBBER casual shoes, made by our Genfoam Shoe Company, and modelled by secretary Martha Lyle on lake cruiser.

FORTUNET casuals and General Shoe secretary Barbara Armstrong make a fashionable pictorial pattern.

GENERAL SHOE SALES CORPORATION opens display offices for its lines in the Empire State Building, and our Chairman, Maxey Jarman, talks shoes with (left) Harper's Bazaar editor Lucille Haley and Dorothy Fox Davies, leather manufacturer's representative.

oes are known on school campuses the anderbilt senior and eatured.

W. L. DOUGLAS is one of America's oldest brand names in men's shoes. Our central stock merchandise manager, Ralph Williams, models them.

HARDY shoes are known for their popular price and good styling. Adv. Mngr. Wallace Hill wears them as he works.

FORTUNE shoes are shown by the man who buys the calf skin that goes in them—Purchasing Agent Warren Gregory.

CEDAR-CREST is our brand for work shoes and field boots. Hunting in a pair is Clarence Cobbs, manufacturing executive.

# BONWIT TELLER

BONWIT TELLER, a group of seven women's specialty stores nationally known for fine quality fashion merchandise, is now a part of General Shoe Corporation.

Five of these stores are shown on this page. Another is located in White Plains, N. Y. A seventh is now being built in Manhasset, Long Island.

These stores last year had a volume of business in excess of $34 million.

President of Bonwit Teller since 1946 is Walter Hoving, one of the country's foremost business executives and merchandise authorities. Under his direction a first Bonwit Teller branch store was opened in Boston. It is regarded as one of the city's show places, and is one of the smartest stores in the United States. The store has been a great success from the start.

Bonwit Teller's next branch store was located in Chicago, and today is the smart fashion store of the middle west. Cleveland's store, on famed Euclid Avenue, is noted for its atmosphere obtained through artistic use of antique furniture in the treatment of its interiors.

Palm Beach's store is one of the attractive places of fashionable Worth Avenue.

Bonwit Teller's New York store is next door to Tiffany.

Bonwit Teller's success has been established upon quality and good taste in fashion merchandise, and excellent service from an enthusiastic, well-trained organization.

BONWIT TELLER'S fine New York store, 721 Fifth Avenue, at 56th Street.

CHICAGO BONWIT TELLER store at 830 North Michigan Avenue.

PALM BEACH, FLORIDA, on fashionable Worth Avenue.

THIS Boston store is one of Bonwit Teller's most colorful and successful.

CLEVELAND'S BONWIT TELLER store is located on Euclid Ave.

WALTER HOVING, Bonwit Teller president, (seated, center) confers with associates, Walter Deiches, V.P. & Gen. Mdse. Mngr., and Alfred W. Miles, V.P., Treas.-Sec. Standing: William E. Humphreys, Comptroller; C. Bay, Mdse. Mngr., Accessories Group, and William T. Leonard, V.P., Operations.

ROGER VIVIER, world-known Paris designer, with shoes created for our Delman line.

ANDRE PERUGIA (second from left, seated) visits General Shoe in Nashville and is entertained by this group of our executives. Host Matt Wigginton, Company Vice President, at M. Perugia's left.

OFFICIAL BOY SCOUT SHOES worn by Eagle Scout Harold Byrd, whose mother made this pair in our Atlanta, Georgia, plant, where she works.

FRIENDLY shoes for teen-age girls are modeled by Harpeth Hall freshman Katie Benson, daughter of our public relations director.

STORYBOOK is a popular brand for teen-age girls, juvenile boys and girls. Brother and sister wear them to Nashville Children's Museum. (Below)

ACROBAT shoes for Kay and Billy Webb, whose mother and father both made this pair as employees in our Hohenwald, Tenn. plant.

YOUNG CUSTOMER, taking his first steps in our Acrobat shoes. His mama and papa, Carolyn and Darrell Nevius, work in our Danville, Ky., plant.

*as*
*advertised*
*in*
**THE NEW YORKER**

*From The New Yorker, September 22, 1956.*

*From Vogue Magazine, August 15, 1956.*

# DISTRIBUTION...

## Independent Shoe Retailers Sell General Shoe Products In Every City of United States

Throughout the 32-year history of our Company, dating back to 1924, the widest distribution of our products has been through independent retail dealers, department stores and similar outlets.

This applies to our men's, women's and children's shoes, which we make in a great variety of styles, types of construction and price ranges.

These include some of the world's most widely known brand names, all of which are featured in the front of this annual report. These brands are sold by independent retailers in nearly every city and town throughout the 48 states.

We sell to these retailers through numerous separate sales divisions of our own. This distribution plan of General Shoe Corporation is so decentralized that each sales division specializes on its own line of shoes, employing an entirely separate sales and service organization. Each such division renders an individualized service for its independent customers in styling, merchandising, advertising and promotional assistance.

Many millions of sales impressions are made in behalf of these nation-wide independent retailers through an advertising program which is carried on through the pages of America's most widely-circulated magazines and newspapers.

In addition, the country's leading shoe trade publications are used extensively to assist dealers in selling our shoes.

In addition to our thousands of independent retail dealers, we make shoes for some of the biggest and most important chain stores and mail orders houses in America, which sell these shoes under their own special brand names.

Some of the country's most attractive retail stores are those which we own and operate. Among these are Jarman, Flagg Bros., Hardy and W. L. Douglas. Fine shoes and fine men's apparel are found in our Whitehouse and Hardy stores and in our Frank Bros., stores.

Our women's shoe stores include names like I. Miller, Delman, Berland, Holiday and Nisley. Bell Brothers is a group of family shoe stores.

**STANDARD STORES DIVISION:**

This is a group providing a complete family shoe service in several Pacific Coast cities and in the Southwest. They include such fine names as Innes Shoe Company in Southern California; Sommer & Kauffman in the San Francisco bay area; Armishaw's in Portland, Oregon; Guarantee Shoe Company in the San Antonio, Texas area, and Lazarus Bros., in Tulsa, Oklahoma. Stores in this division are among the most beautiful and complete in America.

**LADIES' SPECIALTY STORES:**

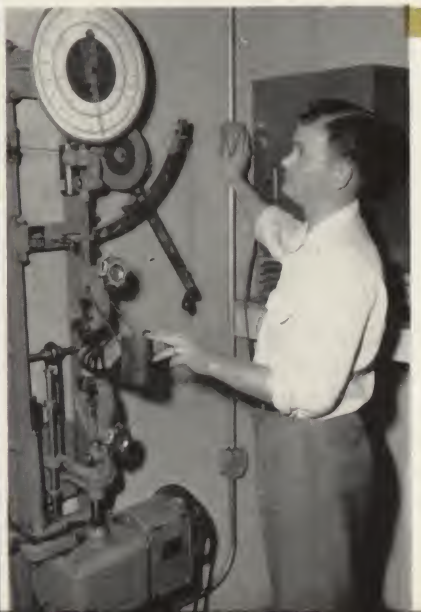
Our Bonwit Teller stores, selling fine quality fashion merchandise, are located in New York City, Boston, Chicago, Cleveland, Palm Beach, Florida; White Plains, New York; and Manhasset, Long Island.

**FRIENDLY FRANCHISE STORES:**

These independently-owned family shoe stores are assisted by us in financing, merchandising, etc.

DISTRICT SALES OFFICES like this one in Dallas, Texas, are located in principal metropolitan areas by our General Shoe Sales Corporation so that all of its lines of shoes may be taken directly to the customer. Here customers and staff work together on an order for Texas stores.

OFF TO THE LEATHER SHOW go buyers every year. Here C. W. Butler, Jr., Director of Purchasing for our Southern Shoe Mfg. Co., and associates W. W. Edwards and Warren Gregory shop at one of the many booths. What they and others buy is shown in adjoining photo. Over $43 million was spent last year for such materials used in our Southern shoe plants alone. Over $21 million was for upper leather and leather linings; $4 million for leather and rubber outsoles, $3 million for cloth linings. Other millions went for toplifts, heels, straw and fabrics, counters, box toes, shanks, tapes, binding, stripping, thread, wedges, buckles and ornaments, nails and tacks, welt labels, cartons, laces.



SHOES AND OTHER PRODUCTS SOLD by us are subjected to constant laboratory wear tests, to improve performance and value. The sole of a shoe is being tested for wear in this research process, being conducted in our S. & F. Chemical laboratory in Nashville.

(At right)
FIVE FOREIGN VISITORS from Australia, South Africa and Mexico gather around the globe in General Shoe foreign division reception rooms. With them are Jeff Dibrell and Bob Brandon, staff members of our Intercontinental Management Associates.

GENERAL SHOE'S NEWEST WAREHOUSE—with over 185,000 square feet of space to meet rapidly expanding needs of customers for warehousing and distribution of finished inventory. It is being constructed now, near Nashville, in Chapel Hill, Tenn.

OUR VALENTINE SHOE COMPANY'S newest manufacturing plant, in Frankfort, Kentucky, replaces an old plant there, and provides 50,000 square feet of space for producing women's fashion shoes.

## MANUFACTURING PLANTS

| | *Men's—Boys' Shoes* | *Women's Shoes* | *Children's Shoes* |
|---|---|---|---|
| ALABAMA | Huntsville | | |
| CALIFORNIA | | Los Angeles | |
| GEORGIA | Atlanta | Lawrenceville | Carrollton |
| KENTUCKY | | Frankfort | |
| " | | Danville | |
| MASSACHUSETTS | | Spencer | |
| " | | Lawrence | |
| MISSISSIPPI | | Ripley | |
| " | | Iuka | |
| " | | Fulton (To be constructed) | |
| NEW HAMPSHIRE | | Manchester | |
| NEW JERSEY | Newark | | |
| NEW YORK | | New York City | |
| " | | Long Island City | |
| PENNSYLVANIA | | Carlisle | |
| " | | Harrisburg | |
| TENNESSEE | Nashville two | Nashville | |
| " | Gallatin two | McMinnville | Camden |
| " | Tullahoma | Cowan | Hohenwald |
| " | Pulaski | | Centerville |
| " | Lewisburg | | |
| " | Waynesboro | | |
| WISCONSIN | | | Lake Mills |
| TOTALS | 11 | 17 | 5 |

**Other Plants** MICHIGAN, Whitehall—Upper Leather Tannery.
TENNESSEE, Nashville—Rubber and canvas shoes for men, women and children; sole-cutting, box making, chemicals, adhesives, heel-finishing, store fixtures and displays.

## OPERATIONS ABROAD

General Shoe Corporation owns and operates shoe manufacturing plants and retail shoe stores in Mexico City and in Lima, Peru.

We have interests in plants in Tokyo, San Salvadore and Jerusalem.

Many affiliate manufacturers around the world make some of our leading brand-name shoes for sale in their countries, including: Australia. Brazil, Canada, Colombia, France, Germany, Mexico, New Zealand, South Africa, Switzerland, United Kingdom and Uruguay.

Our Company also carries on an export-import business with 29 nations. These include: Alaska, Arabia, Aruba (Netherlands West Indies), Brazil, Canada, Cuba, Curacao (Netherlands West Indies), Dominican Republic Ecuador, Greenland, Guam, Haiti, Hawaii, Honduras, Hong Kong, Iran, Israel, Japan, Liberia, Macao Mexico, Nicaragua, Okinawa, Panama, Peru, Philippines, Puerto Rico, Switzerland and Venezuela.

## General Shoe Corporation

*Operating Companies*

BELL BROTHERS
PARKS C. RUNYON, *Division Manager*

BERLAND SHOE COMPANY
I. M. Kay, *President*
SAMUEL INTRATER, *Vice President*

CARLISLE SHOE COMPANY
RALPH H. STOLLMACK, *President*
ELLIS SIMON, *Vice President*
FRED HERRMANN, *Vice President*

CEDAR-CREST SHOE COMPANY
LLOYD KRUG, *Vice President*

CIRCLE SHOE MANUFACTURING COMPANY
ELI G. WHITE, *General Manager*

DELMAN-DIOR SHOE COMPANY
RUBEN ADLER, *President*

DOMINION SHOE COMPANY
HOUGHTON D. VAUGHN, *Executive Vice President*
WILLIAM LYLE HAMMOND, *Vice President*
HOWARD D. BALDRIDGE, *Asst. Vice President*

W. L. DOUGLAS SHOE COMPANY
JOHN P. GIFFORD, *Vice President*

EDGEWOOD-STORYBOOK SHOE COMPANY
CARLTON Y. RICHARDSON, *Vice President*

EDWARD HAAN SHOE COMPANY
EDWARD H. HAAN, *President*
DUKE ROSE, *Division Manager*

FABRICA NACIONAL DE CALZADO EL TRIUNFO
JOHN W. RUSSELL, *General Manager*

FABRICA DE ZAPATOS ECLIPSE
CHARLES W. MCGAVOCK, *General Manager*

FAMILY SHOE SUPPLY COMPANY
SIDNEY A. SMITH, *Vice President*

FLAGG BROS.
WILLIAM H. MACLAY, *Division Manager*

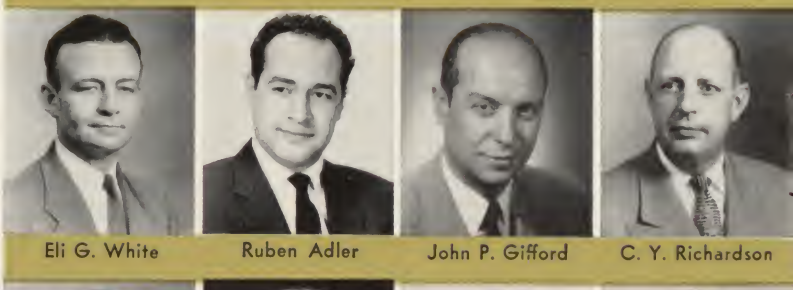
FORTUNE SHOE COMPANY
DEE L. METCALF, *Vice President*

FORTUNET SHOE COMPANY
CHARLES R. GUTHRIE, *Vice President*

FRANK BROTHERS
ROBERT C. BOLICK, JR., *President*

FRIENDLY-ACROBAT SHOE COMPANY
ROBERT C. BLOXTON, *Vice President*

Parks C. Runyon | I. M. Kay | Ralph H. Stollmack | Lloyd Krug


Eli G. White | Ruben Adler | John P. Gifford | C. Y. Richardson

Edward H. Haan | John W. Russell | C. W. McGavock | Sidney A. Smith

William H. Maclay | Dee L. Metcalf | Charles R. Guthrie | R. C. Bolick, Jr.

Robert C. Bloxton | G. O. Petway | J. S. Bronaugh

FRIENDLY FRANCHISE STORES
G. O. PETWAY, *General Manager*

GENFOAM SHOE COMPANY
JACK R. BRADEN, *President*

GUARANTEE SHOE COMPANY
J. STEWART BRONAUGH, *President*

GENERAL RETAIL CORPORATION
WILLIAM M. BLACKIE, *President*
FELIX M. WEISIGER, *Vice President*
EARL L. BRITAIN, *Vice President*
SHERMAN E. ROSE, *Vice President*
PARKS C. RUNYON, *Vice President*
WILLIAM A. GIVAN, *Secretary*
WILLARD W. SLEDGE, *Treasurer*
CHAPMAN BAIN, *Assistant Secretary*

GENERAL SHOE SALES CORPORATION
MATT S. WIGGINTON, *President*
EARLE T. BUMPOUS, *Vice President*
HOUGHTON D. VAUGHN, *Vice President*
BEN H. WILLINGHAM, *Vice President*
CHARLES W. COOK, *Vice President*
WILLARD W. SLEDGE, *Secretary*
E. DEVAUGHN WOODS, *Treasurer*
CHARLES R. MURPHY, *Asst. V. President*
JOHN A. BALL, *Asst. Vice President*

I. MILLER & SONS, INC.—DIRECTORS

HARRY A. BASS
WILLIAM M. BLACKIE
HENRY W. BOYD, JR.
W. MAXEY JARMAN
IRVING MILLER
MAURICE MILLER
MICHAEL MILLER
LEON MNUCHIN
M. M. STOLLMACK
B. P. WEISIGER
MATT S. WIGGINTON
BEN H. WILLINGHAM

GENERAL SUPPLY COMPANY
J. P. Saunders, *General Manager*
Eugene E. Wager, *Associate Manager*

HARDY SHOE STORES
Joseph B. Long, *Division Manager*

HOLIDAY and NISLEY SHOE STORES
Sherman E. Rose, *Division Manager*

HOVING CORPORATION
Bonwit Teller:
Walter Hoving, *President*
Alfred W. Miles, *Vice President, Treasurer & Secretary*
Walter Deiches, *Vice President & Gen. Mdse. Mngr.*
William T. Leonard, *Vice President, Operations*
William E. Humphreys, *Comptroller*
C. Bay, *Mdse. Mngr. Accessories Group*

I. MILLER SHOE COMPANY
Charles J. Miller, *Exec. Vice President*
John Pollack, *Vice President*
Mrs. Julian Frankel, *Vice President*
B. P. Weisiger, *Treasurer*

INNES SHOE COMPANY
Paul M. Seigel, *President*

INTERCONTINENTAL SHOE COMPANY
J. P. Saunders, *President*
Charles R. Majors, *Vice President & Secretary*
Francis W. Parker, *Export Manager*
H. Stephen Klausner, *Director Foreign Operations*

JARMAN SHOE COMPANY
Earle T. Bumpous, *President*
Edward W. Graham, Jr., *Vice President*

JOHNSTON & MURPHY SHOE COMPANY
Myron B. Olmstead, *President*

LAZARUS BROTHERS, INC.
Sidney L. Lazarus, *President*

MANNEQUIN SHOE COMPANY
Harry A. Bass, *President*
Richard M. Streiker, *Vice President*

MIRET STORES COMPANY
Miss Jerry Stutz, *Vice President*

NEW ENGLAND GROUP
Harry A. Bass, *President and Treasurer*
FLEISHER SHOE COMPANY
Ben Fish, *General Manager*
KLEVEN OF SPENCER
Harry A. Bass, *President*
KLEVEN OF LAWRENCE
Alvan Rosenberg, *General Manager*

PYRAMID SHOE MANUFACTURING COMPANY
Bernard E. Reed, *General Manager*

REPUBLIC SHOE COMPANY
Charles W. Cook, *Vice President*
Thad D. Brunson, *Asst. Vice President*

SAVAL SHOE COMPANY
Sidney W. Schwartz, *President and Treasurer*

SOMMER & KAUFMANN
Herbert L. Sommer, *President*

SOUTHERN SHOE MANUFACTURING COMPANY
H. Nelson Carmichael, *General Manager*

STANDARD STORES COMPANY
Ben H. Willingham, *President*

TRIANGLE SHOE MANUFACTURING COMPANY
C. Wilbon Marlin, *General Manager*

VALENTINE SHOE COMPANY
Frank Fleming, *President*

WHITEHOUSE & HARDY STORES COMPANY
Rex Sleighter, *President*

## GENERAL SHOE CORPORATION—DIRECTORS

William M. Blackie
Henry W. Boyd, Jr.
Jack R. Braden
Sam A. Buchanan
Earle T. Bumpous
H. Nelson Carmichael
Noble C. Caudill
Charles W. Cook
W. Maxey Jarman
J. Harlan Lawson
J. Richard McCollum
Bernard E. Reed
James P. Saunders
Houghton D. Vaughn
Billy P. Weisiger
Felix M. Weisiger
William H. Wemyss
Matt S. Wigginton
Otis C. Williams
Ben H. Willingham
E. DeVaughn Woods

## GENERAL SHOE CORPORATION

W. Maxey Jarman, *Chairman*
Henry W. Boyd, Jr., *President*
William M. Blackie, *Executive Vice President*
James P. Saunders, *Vice President & Secretary*
Noble C. Caudill, *Vice President & Treasurer*
Matt S. Wigginton, *Vice President*
H. Nelson Carmichael, *Vice President*
Ben H. Willingham, *Vice President*
Otis C. Williams, *Controller*
E. DeVaughn Woods, *Auditor*
Candler W. Butler, Jr., *Assistant Vice President*
T. Douglas Oxford, *Assistant Treasurer*
William H. Wemyss, Jr., *Assistant Treasurer*
Carl E. Stephens, *Assistant Secretary*
James H. Cheek, *Assistant Secretary*
Sam A. Buchanan, *Director Industrial Relations*
Maxwell E. Benson, *Director Public Relations*

---

**Executive Offices: 111 Seventh Avenue, North • Nashville 3, Tennessee, U.S.A.**

**Transfer Agents:**

*Common stock:* Guaranty Trust Company of New York, New York, and First American National Bank, Nashville, Tennessee.

All *Preference stock:* Guaranty Trust Company of New York, New York.

**Registrars:**

*Common stock:* Chemical Corn Exchange Bank, New York, New York, and Nashville Bank and Trust Company, Nashville, Tenn.

All *Preference stock:* Chemical Corn Exchange Bank, New York, New York.

Annual Meeting of Stockholders: March 4, 1957.